

**DEPARTMENT
POLICY****FIP, MA**

As a condition of eligibility, the client must identify all third-party resources unless he has good cause for not cooperating. Failure, without good cause, to identify a third-party resource results in disqualification.

A third-party resource is a person, entity or program that is, or might be, liable to pay all or part of a group member's medical expenses.

The Third Party Liability Division, Bureau of Financial Management, in the Department of Community Health uses third-party resource information to reduce MA expenditures by both:

- Rejecting MA claims until liable third-parties have paid.
- Seeking reimbursement from liable third-parties after MA payment has been made.

For MA program codes A, B and E, the Social Security Administration determines client cooperation and reports third-party resources to the Third Party Liability Division. Policy in this item does not apply to those MA groups.

**RESOURCE TYPES
- FIP, MA**

Usually, the resource is Medicare or a health/casualty insurance company. Resources often exist in the following situations:

- A person has private health insurance.
- Work-related injury.
- An injury occurs outside the home (for example: an auto accident).
- Other accident/incident resulting in illness or injury (for example: crime, medical malpractice, slip and fall, faulty product).
- LTC insurance (for example: Cigna, John Hancock, AFLAC, Consec).

Note: Medicare Part B is not mandatory to pursue as a potential resource. However, when an individual refuses Medicare Part B, Medicaid will not pay for any Medicare Part B covered services they receive.

RESOURCE LEADS - FIP, MA

When there is a potential third-party resource, contact the client; see REPORTING RESOURCES in this item. The following will help identify resources:

Age

Persons age 65 and over often have supplemental health insurance in addition to Medicare.

Employment

Many employers provide health insurance for the employee, spouse and (step)children. Separate policies might cover dental, vision or other health needs.

Medical Information

Medical reports or information (for example at application or redetermination) might indicate a third-party resource for an accident/illness or LTC services. The DCH-2565-C, Facility Admission Notice, frequently lists health insurance.

Military Service

Dependents of active, retired, deceased or totally disabled military service personnel are eligible for medical coverage through the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS), Civilian Health and Medical Program of the Veterans Administration (CHAMPVA), or the TRICARE Program.

Monthly Expense Information

This might show payment of private insurance premiums. Medicare recipients often buy supplemental health insurance.

Retirement

Many employers provide health insurance for retirees.

School

Often the school's insurance covers injuries during school activities (for example sports).

Union Membership

Unions often have a group health plan for members and dependents. This might be in effect even if the member is not working.

**COOPERATION -
FIP, MA**

The following persons are required to cooperate in identifying third-party resources unless they have good cause for not cooperating:

- An adult who has a third-party resource.
- A parent whose unmarried child under age 18 has a third-party resource.
- A legal guardian whose ward has a third-party resource.
- A caretaker or caretaker relative whose dependent child has a third-party resource.

**GOOD CAUSE
CLAIMS - FIP, MA**

Give or send a DHS-4469, Claim of Good Cause-Third Party Resources, to clients who indicate any concern about identifying third-party resources. The DHS-4469 explains:

- The department's mandate to seek third-party resources.
- Cooperation requirements.
- Procedures for claiming and documenting good cause.
- Good cause reasons.
- Disqualification for noncooperation.
- The right to a hearing.

If the client claims good cause, both of the client and the eligibility specialist must sign section 1 of the DHS-4469. The client must complete section 2 specifying the type of good cause and person(s) affected. Give or send the client a copy of the DHS-4469 within two workdays after it is completed.

A claim of good cause may be made at any time. The eligibility specialist is responsible for determining good cause and making a finding.

To do so, follow all of the instructions in the GOOD CAUSE CLAIMS section of BEM 255, Child Support, **except:**

- Use the DHS-4469 instead of the DHS-2168.
- Support specialists are not involved with third-party resource good cause claims.

Do not deny an application or delay benefits because a good cause claim is pending.

IMPOSING A DISQUALIFICATION

FIP, MA

Failure to cooperate without good cause results in disqualification. The following person who failed to cooperate is not eligible:

- The adult who fails to cooperate in identifying his own third-party resource.
- The parent who fails to cooperate in identifying a third-party resource of his unmarried child under age 18 who is a FIP or MA recipient.
- The legal guardian who fails to cooperate in identifying a third-party resource of his ward who is a FIP or MA recipient.
- The caretaker or caretaker relative who fails to cooperate in identifying a third-party resource of any dependent child on whom the relative's FIP, LIF or Caretaker Relative Medicaid eligibility is based.

FIP

Do not include a disqualified person's needs when determining group eligibility or benefits.

A disqualified person cannot serve as an ineligible grantee unless he is the only adult in the case **and** no suitable protective payee can be found.

REMOVING A DISQUALIFICATION - FIP, MA

End the disqualification when any of the following occurs:

- The disqualified person cooperates.
- Good cause is established for not cooperating.
- The resource no longer exists.
- Eligibility ends for the person on whose resource the disqualification is based.

REPORTING RESOURCES

DHS Reporting - FIP, MA, AMP

Report to the Third Party Liability Division when a third-party resource is identified at application, redetermination or any time a resource becomes known.

Complete all required information and fax the DCH-0078, Request to Add, Terminate or Change Other Insurance to the Third Party Liability Division as quickly as possible. If available, attach copies (front and back) of insurance identification cards. Include copies of identification cards for additional coverages (vision, LTC or dental) available to the client. TPL Division FAX (517) 346-9817. The form may also be found at: www.michigan.gov/report_TPL

The Third Party Liability Division uses third party resource information, such as LTC insurance, to reduce Medicaid expenditures by rejecting Medicaid claims until liable third parties have paid **or** seeking reimbursement from third parties after Medicaid payments have been made. This coordination of benefits is vital to ensure claims are paid correctly.

Note: Do not report Medicaid managed care enrollments. If a client reports that his insurance is a managed care plan such as a health maintenance organization (HMO), check the level of care (LC) code in Bridges. LC 07 indicates enrollment in a Medicaid managed care plan. It is unlikely the client also has private insurance through the same plan.

- DCH-1354-A, Third Party Liability Casualty Insurance Information, for reporting accidents and work-related illness or injury.

Have the client or an authorized representative sign the DCH-1354-A, if possible. However, if it is necessary to wait to obtain a signature, send the unsigned form to the Third Party Liability Division.

DCH staff may send a completed DCH-0078 or DCH-1354-A for clients in any of the following placements:

- DCH facilities
- Community Living Facilities (CLF)
- Receiving Children's Special Health Care Services (CSHCS).

Upon receipt of either form, enter the basic identifying information (for example: case number) and forward the form to the Third Party Liability Division.

The Third Party Liability Division often learns of a resource independently. Cooperate with Third Party Liability Division staff by providing the information or clarification requested.

Bridges Coding - FIP, MA

When the Other Insurance (OI) code in Bridges is blank or zeroes, enter the appropriate code to reflect the client's Medicare and/or health insurance coverage.

Any further changes to the OI code must be initiated by the DCH Third Party Liability Division or Buy-In staff.

See Change or Termination of a Resource in this item.

When Resources Are Not Reported - FIP, MA

Do not report a third-party resource to the Third Party Liability Division in any of the following circumstances:

- The resource is Medicare. **However, do report supplemental health insurance and long term care insurance.**

- The resource is court-ordered medical, but no insurance information is provided.
- There is documented good cause for failure to cooperate on a DHS-2169, Notice of Good Cause Finding-Child Support/Third Party Resources, **and** reporting the resource would endanger the client or dependents. However, **do report** any resource not covered by good cause.

Note: When good cause has been approved **and** there is an OI code on the Insurance Policy Information screens or on the Medicare Claim screens in Bridges, send a copy of the DHS-2169 to notify the Third Party Liability Division of the need to delete the OI code.

- A disqualification is imposed for failure to cooperate. Send a DCH-0078 or DCH-1354-A when the disqualification ends.
- The case is reopened with no lapse in MA. However, if the resource has changed or was never reported, send a DCH-0078 or DCH-1354-A.

Change or Termination of a Resource - FIP, MA

Fax a DCH-0078, Request to Add, Terminate or Change Other Insurance to the Third Party Liability Division at (517) 346-9817 when:

- Health insurance changes or ends. If available, send documentation from the employer or insurer indicating the date coverage changed or ended.
- The insurance information in Bridges was not provided by the client and he is unaware of the coverage. When the client contacts you, check the case record to determine if there is information about the resource. If not, note on the DCH-0078 that the case record does not indicate OI coverage. In the above situations, the Third Party Liability Division staff must:
 - Verify the circumstances, and
 - Update the TPL coverage file. Bridges will be updated effective the following month.

Third-party resource information is stored in a computerized TPL coverage file maintained by the Third Party Liability Division. It

includes claim information such as health insurance company, policy number, health scope codes and coverage dates.

The TPL file updates Medifax weekly and updates the OI code monthly. The monthly update occurs the evening of the regular cut-off date and selects the OI code based on priority.

Claims are paid or rejected based on information on the TPL coverage file, not other insurance information in Bridges. It is imperative that the corresponding DCH-0078 is received in the Third Party Liability Division so that the correct OI code is entered on the TPL coverage file.

Without the completed DCH-0078, even if an OI code is entered in Bridges, claims will continue to be paid by Medicaid.

Medifax is the system MA providers call to verify MA eligibility and obtain third-party resource information. Retroactive (up to one year) health insurance changes are available on Medifax.

INQUIRIES BY MAIL

Direct inquires or complaints about other insurance problems to:

Department of Community Health
Third Party Liability Division
Bureau of Financial Management
PO Box 30053
Lansing, MI 48909
TPL Health@michigan.gov

PHONE INQUIRIES

Enrolled Providers

Provider Inquiry Helpline: 1-800-292-2550 or providersupport@michigan.gov.

Beneficiaries

Beneficiary Helpline: 1-800-642-3195.

VERIFICATION REQUIREMENTS - FIP, MA

For good cause claims, follow verification policy in BEM 255.

LEGAL BASE**FIP**

P.A. 280 of 1939, as amended

MA

42 CFR 433.135-153

MCL 400.106

**JOINT POLICY
DEVELOPMENT**

Medicaid, Adult Medical Program (AMP), Transitional Medical Assistance (TMA/TMA-Plus), and Maternity Outpatient Medical Services (MOMS) policy has been developed jointly by the Department of Community Health (DCH) and the Department of Human Services (DHS).